

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING  
Whether there has been a violation  
of the Franchise Investment Protection Act of the  
State of Washington by:

Childcare Seekers One Stop, Inc., Christina Hart,  
their employees and agents,

Respondents.

S-03-011-03-TO01

SUMMARY ORDER TO CEASE AND DESIST

Case No. 02-11-449/ACO No. 12398

THE STATE OF WASHINGTON TO:

Childcare Seekers One Stop, Inc.  
Christina Hart  
3824 River Road North, Suite 254  
Keizer, Oregon 97303

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Childcare Seekers One Stop, Inc. and Christina Hart, have violated the Franchise Investment Protection Act and that such violations justify the entry of an order of the Securities Administrator under RCW 19.100.248 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I.

Childcare Seekers One Stop, Inc. ("Childcare Seekers") is an Oregon corporation with a principal business address of 3824 River Road North, Suite 254, Keizer, Oregon. Childcare Seekers grants franchises for publishing childcare referral directories for the purpose of providing information to childcare providers, clients, and potential clients about childcare services or facilities located within given

1 geographic areas (the “childcare directory opportunity”). Christina Hart (“Hart”) is the President of  
2 Childcare Seekers.

3 II.

4 A Washington resident, responding to a magazine advertisement, contacted Childcare Seekers One  
5 Stop, Inc. in or about August of 2001 about the childcare directory opportunity. Ultimately, on September  
6 1, 2001, the Washington resident executed an agreement with Childcare Seekers One Stop, Inc. and  
7 Christina Hart for a childcare directory business to be located in Clark County, Washington. The License  
8 Agreement provided, in relevant part, the following:

9 **LICENSE AGREEMENT**

Recitals:

- 10 A. Licensors has developed a Childcare referral directory for the purpose of providing information to  
Childcare providers, clients, and potential clients.  
11 B. Licensee desires to acquire a license to use the certain directory format for the purpose of  
providing Childcare information to Childcare providers, clients and potential clients in the  
12 community commonly known as: Clark County, WA

13 Agreements:

- 14 1. License. Licensors grants to Licensee a non-transferable and non-exclusive license to use  
the Childcare directory format specified in Exhibit “A” (“Licensed Format”) within the community  
15 described in the Recitals, section B, described above, only upon the terms and restrictions set forth in this  
License Agreement. Licensors reserves all rights not expressly granted to Licensee hereunder including  
16 without limitation copyright rights, technical information, trade secrets, know-how, and all other property  
and rights. The Licensed Format shall not be used in any other community within the United States nor  
17 foreign country without the express written consent of Licensors...
- 18 2. License Fee. Licensee shall pay Licensors a fee of \$2,500.00 down, payable at the time of  
signing of this License Agreement, and the remaining balance due under the terms and conditions of the  
19 Installment Payment Options Attached...
- 20 2.1 Licensee agrees to pay Licensors an annual License Fee of \$1,800.00 annually payable under the  
terms and conditions of the Installment Payment Options. No early payment penalties will be  
21 imposed for early payment of Annual License fees or any amount financed. Licensors agrees not to  
change the Annual License Fee for the duration of this License Agreement.
- 22 3. Confidentiality. Licensee agrees that it will not use any confidential information or trade  
secrets, except as expressly authorized by this License Agreement, and that it will not disclose any  
23 confidential information or trade secrets to any person, including employees of Licensee, except with the  
prior written consent of Licensors... Licensee agrees that it will guard against the unauthorized use or  
24 disclosure of the Licensed Format and all copyrighted or copyrightable material and all confidential  
information and trade secrets with the greatest care. Licensee agrees that neither it or its employees will,  
in any form, including without limitation, replicate, duplicate or otherwise adopt or use the Licensed  
Format, any and all copyrighted or copyrightable material and all confidential information and trade

secrets. Upon termination of this contract Licensee agrees to return to the company all documents and property pertaining to Childcare Seekers One Stop, Inc., including but not limited to drawings, records, reports, manuals, correspondence, customer lists, computer programs, inventions, and all other materials and all copies thereof relating in any way to the company's business obtained by Licensee throughout the duration of this License Agreement...

4. Licensed Format. The license granted Licensee, shall be a temporary, non-exclusive and non-transferable license, to possess and distribute a childcare directory... Licensee agrees that it will ensure that each copy of the Childcare Seekers Directory contains copyright notices as follows: "Copyright © (insert dates of original publication and revisions) 'Childcare Seekers, Inc. All Rights Reserved.'..."

The Washington resident paid Childcare Seekers One Stop, Inc. \$2,500 in furtherance of the License Agreement. The Washington resident was not provided with a Uniform Franchise Offering Circular ("UFOC") containing complete material information about the childcare directory opportunity including, but not limited to, a financial statement for the seller.

### III.

Respondents, acting in concert or on behalf of each other, as well as having placed information or advertisements concerning the childcare directory opportunity in a magazine or magazines, have maintained and continue to maintain a web site at [www.childcareseekers.com](http://www.childcareseekers.com). The Internet website contains, among other things, the following text:

#### What do I get as a Childcare Seekers One Stop Business Owner?

##### A Protected Territory

We will not license any other Childcare Seekers Associate in your territory.

##### Initial Supplies

Included with your license are letterhead, envelopes, forms and applications, business cards, & brochure templates.

##### Ongoing advertising

We provide a web page for all active associates at no cost to you for the life of your License Agreement so that childcare providers and parents can have a direct link to you and your directory.

##### Use of Childcare Seekers Directory Name, Copyrighted Format and Logo

You will obtain the license rights to use the Childcare Seekers Directory format along with other copyrighted materials.

1 Our Exclusive Database

You may utilize this database for advertising for your clients.

2 Operations Manual

3 Our manual will help guide you with policies and procedures suggested to operate your business.

4 Customized Forms on Disk

This disk includes forms necessary to run your business. Online Childcare Seekers Associate Library.

5 Tutorial Site

6 You will receive access to the companies tutorial site which has a variety of "How To" information and  
7 tips for operating your business, including directory cover graphics, and templates, etc.

8 Referral Support

9 We will act as a hub for any new clients who may come through our corporate office or (via national  
10 advertising or our website) and refer clients to you if they are in your territory.

11 Ongoing Support

12 We will be available to answer your questions! Free Telephone support is provided Mon-Thursday  
13 9:00am-2:00pm PST.

14 A Turn Key Business

15 What Childcare Seekers provides is a ready made business! All you have to do is market your territory,  
16 build your cliental, and receive the income!...

17 IV.

18 The Respondent Childcare Seekers One Stop, Inc. is not currently registered to offer and/or sell  
19 franchises in the state of Washington and has not previously been so registered.

20 The Securities Administrator finds that an emergency exists and that the continued offer and/or  
21 sale of the childcare directory opportunity by the Childcare Seekers One Stop, Inc. in the manner  
22 described above presents a threat to the investing public.

23 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

24 CONCLUSIONS OF LAW

I.

1 The offer and/or sale of the Childcare Seekers One Stop, Inc. childcare directory opportunity as  
2 described above constitutes the offer and/or sale of a franchise as defined in RCW 19.100.010(16) and  
3 RCW 19.100.010(4).

4 II.

5 The offer and/or sale of said franchise as described above was made in violation of RCW  
6 19.100.020 because no registration or notification of claim of exemption for such offer and/or sale is on  
7 file with the Administrator of Securities and it appears that the Respondents do not otherwise qualify for  
8 an exemption from registration.

9 III.

10 The offer and/or sale of said franchise as described above was made in violation of RCW  
11 19.100.170 because Respondents failed to provide actual or prospective Washington purchasers with a  
12 UFOC containing complete material information about the childcare directory opportunity including, but  
13 not limited to, a financial statement for the seller.

14 The Securities Administrator finds that this action is necessary and appropriate in the public  
15 interest and for the protection of investors and that the public safety and welfare require emergency action.

16 SUMMARY ORDER

17 Based on the foregoing, NOW THEREFORE IT IS HEREBY SUMMARILY ORDERED That  
18 Respondents Childcare Seekers One Stop, Inc., Christina Hart, and their agents and employees each cease  
19 and desist from offering and/or selling franchises in any manner in violation of RCW 19.100.020, the  
20 registration requirement provision of the Franchise Investment Protection Act.

21 It is further SUMMARILY ORDERED That Respondents Childcare Seekers One Stop, Inc.,  
22 Christina Hart, and their agents and employees each cease and desist from offering and/or selling  
23 franchises in any manner in violation of RCW 19.100.170, the antifraud provision of the Franchise  
24 Investment Protection Act.

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AUTHORITY AND PROCEDURE

This Summary Order to Cease and Desist is entered pursuant to RCW 19.100.120 and RCW 19.100.130, and is subject to the provisions of chapter 34.05 RCW. The Respondents Childcare Seekers One Stop, Inc. and Christina Hart may make written requests for hearing as set forth in the Notice of Opportunity to Defend and Opportunity for Hearing accompanying this Summary Order to Cease and Desist. A request for a hearing should be in writing and sent to Deborah R. Bortner, Securities Administrator, Department of Financial Institutions, P.O. Box 9033, Olympia, Washington 98507-9033 to the attention of Brad Ferber, Financial Legal Examiner. If a Respondent does not request a hearing as set forth in the accompanying Notice of Opportunity to Defend and Opportunity for Hearing, the Securities Administrator intends to adopt the Tentative Findings of Fact and Conclusions of Law as final and make this Summary Order to Cease and Desist permanent as to that Respondent.

Dated this 3rd day of February 2003.



Deborah R. Bortner  
Securities Administrator

Presented by: \_\_\_\_\_  
Brad Ferber  
Financial Legal Examiner

Approved by: \_\_\_\_\_  
Michael Stevenson  
Chief of Enforcement

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING  
Whether there has been a violation  
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State of Washington by:

Childcare Seekers One Stop, Inc., Christina Hart,  
their employees and agents,

Respondents.

S-03-011-03-TO01(A)

NOTICE OF OPPORTUNITY TO DEFEND AND  
OPPORTUNITY FOR HEARING

Case No. 02-11-449/ACO No. 12398

THE STATE OF WASHINGTON TO:

Childcare Seekers One Stop, Inc.  
Christina Hart  
3824 River Road North, Suite 254  
Keizer, Oregon 97303

YOU ARE HEREBY NOTIFIED that a Summary Order to Cease and Desist ("Summary Order") has  
been filed by the Department of Financial Institutions, a true and correct copy of which is attached and made a part  
hereof.

YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before the  
Washington State Department of Financial Institutions on the Summary Order. Service of this notice is deemed  
complete upon deposit in the United States mail. YOUR APPLICATION MUST BE RECEIVED BY THE  
DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS FROM THE DATE THIS  
NOTICE WAS MAILED TO YOU. If you demand a hearing, you will be notified of the time and place for the  
hearing at least seven (7) days in advance of the hearing date.

At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be as informal  
as is practical within the requirements of the Administrative Procedure Act (see chapter 34.05 RCW). The hearing  
will be recorded. The primary concern will be getting to the truth of the matter insofar as the Summary Order is  
concerned. Technical rules of evidence will not be binding at the hearing except for the rules of privilege  
recognized by law. You have the right to present evidence and witnesses in your own behalf, and to cross-

1 examine those witnesses presented in support of the Summary Order. You may require the attendance of  
2 witnesses by subpoena. If you are limited English- speaking or hearing impaired, you have the right to have an  
3 interpreter appointed at no cost to you, as discussed below.

4 INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-  
5 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for  
6 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate  
7 in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN  
8 INTERPRETER, then a qualified interpreter will be appointed at no cost to you or to the witness. You may  
9 request the appointment of a qualified interpreter by indicating your request on the attached Application for  
10 Adjudicative Hearing form.

11 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE  
12 the Application for Adjudicative Hearing form within twenty (20) days from the date this notice was mailed to  
13 you, this will constitute a waiver of your right to a hearing and the director will find that you do not contest the  
14 allegations of the Summary Order. Upon such a finding by the director a final order will be immediately entered  
15 disposing of this matter and ordering you to cease and desist as described in the Summary Order. If you desire a  
16 hearing in this matter, please return the attached Application for Adjudicative Hearing to:

17 Washington State Department of Financial Institutions  
18 Securities Division  
19 Attn: Brad Ferber, Financial Legal Examiner  
20 Post Office Box 9033  
21 Olympia, Washington 98507-9033

22 Dated this \_\_\_\_\_ day of January 2003.

23 \_\_\_\_\_  
24 Deborah R. Bortner  
Securities Administrator



STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING  
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Respondents.

S-03-011-03-TO01(B)

APPLICATION FOR ADJUDICATIVE  
HEARING

Case No. 02-11-449/ACO No. 12398

THE STATE OF WASHINGTON TO:

Childcare Seekers One Stop, Inc.  
3824 River Road North, Suite 254  
Keizer, Oregon 97303

If you wish to contest the Summary Order and have an adjudicative hearing, you must sign, date, and  
return this form within twenty (20) days of the date it was mailed to you, to:

Washington State Department of Financial Institutions  
Securities Division  
Attn: Brad Ferber, Financial Legal Examiner  
P. O. Box 9033  
Olympia, Washington 98507-9033

FAILURE TO RETURN THIS FORM SO THAT IT IS RECEIVED BY THE DEPARTMENT OF  
FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF THE DATE IT WAS MAILED TO YOU  
WILL CONSTITUTE A DEFAULT AND WILL RESULT IN THE LOSS OF YOUR RIGHT TO AN  
ADJUDICATIVE HEARING AND WILL RESULT IN THE INFORMAL DISPOSITION OF YOUR CASE AS  
AUTHORIZED BY RCW 34.05.440. In that case the Director may proceed to resolve this matter without further  
notice or hearing. In such a case, the Director will immediately enter an appropriate order in disposition of the  
Summary Order, to include prohibition against your engaging in certain business practices as described in the  
Summary Order.

1 INSTRUCTIONS: Circle your desired responses to items I, II, and III below.

2 I.

3 I [REQUEST] [DO NOT REQUEST] a formal hearing in this matter.

4 II.

5 I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, telephone number are:

6 \_\_\_\_\_

7 \_\_\_\_\_

8 III.

9 I [REQUEST] [DO NOT REQUEST] that a qualified interpreter be appointed at no cost to me to

10 interpret for (myself) or (my witness(es)). My, or my witness's(es'), primary language is \_\_\_\_\_

11 \_\_\_\_\_(identify language). My, or my witness's(es'), hearing impaired status is \_\_\_\_\_

12 \_\_\_\_\_(identify hearing impaired status). I understand that a qualified interpreter will

13 be appointed at no cost to me or to my witness(es).

14 IV.

15 You have the right: To demand a hearing; to be represented by an attorney at your own expense; to  
16 subpoena witnesses to the hearing or subpoena the production of books or documents and to otherwise defend  
17 against the Summary Order.

18  
19 WARNING: FAILURE TO COMPLETE AND MAIL THIS DOCUMENT SO THAT IT IS  
20 RECEIVED BY THE SECURITIES DIVISION WITHIN 20 DAYS AFTER THE SUMMARY ORDER WAS  
21 MAILED TO YOU WILL RESULT IN THE DISPOSITION OF THIS CASE AS AUTHORIZED BY RCW  
22 34.05.440.

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Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

Childcare Seekers One Stop, Inc., by:

Name (please print):

\_\_\_\_\_

Title:

\_\_\_\_\_

Signature:

\_\_\_\_\_

Address (if correction is necessary):

\_\_\_\_\_

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STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING  
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Respondents.

S-03-011-03-TO01(C)

APPLICATION FOR ADJUDICATIVE  
HEARING

Case No. 02-11-449/ACO No. 12398

THE STATE OF WASHINGTON TO:

Christina Hart  
3824 River Road North, Suite 254  
Keizer, Oregon 97303

If you wish to contest the Summary Order and have an adjudicative hearing, you must sign, date, and  
return this form within twenty (20) days of the date it was mailed to you, to:

Washington State Department of Financial Institutions  
Securities Division  
Attn: Brad Ferber, Financial Legal Examiner  
P. O. Box 9033  
Olympia, Washington 98507-9033

FAILURE TO RETURN THIS FORM SO THAT IT IS RECEIVED BY THE DEPARTMENT OF  
FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF THE DATE IT WAS MAILED TO YOU  
WILL CONSTITUTE A DEFAULT AND WILL RESULT IN THE LOSS OF YOUR RIGHT TO AN  
ADJUDICATIVE HEARING AND WILL RESULT IN THE INFORMAL DISPOSITION OF YOUR CASE AS  
AUTHORIZED BY RCW 34.05.440. In that case the Director may proceed to resolve this matter without further  
notice or hearing. In such a case, the Director will immediately enter an appropriate order in disposition of the  
Summary Order, to include prohibition against your engaging in certain business practices as described in the  
Summary Order.

1 INSTRUCTIONS: Circle your desired responses to items I, II, and III below.

2 I.

3 I [REQUEST] [DO NOT REQUEST] a formal hearing in this matter.

4 II.

5 I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, telephone number are:

6 \_\_\_\_\_

7 \_\_\_\_\_

8 III.

9 I [REQUEST] [DO NOT REQUEST] that a qualified interpreter be appointed at no cost to me to

10 interpret for (myself) or (my witness(es)). My, or my witness's(es'), primary language is \_\_\_\_\_

11 \_\_\_\_\_(identify language). My, or my witness's(es'), hearing impaired status is \_\_\_\_\_

12 \_\_\_\_\_(identify hearing impaired status). I understand that a qualified interpreter will

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16 subpoena witnesses to the hearing or subpoena the production of books or documents and to otherwise defend  
17 against the Summary Order.

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19 WARNING: FAILURE TO COMPLETE AND MAIL THIS DOCUMENT SO THAT IT IS  
20 RECEIVED BY THE SECURITIES DIVISION WITHIN 20 DAYS AFTER THE SUMMARY ORDER WAS  
21 MAILED TO YOU WILL RESULT IN THE DISPOSITION OF THIS CASE AS AUTHORIZED BY RCW  
22 34.05.440.

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Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

Christina Hart, as President of Childcare Seekers One Stop Inc., and individually:

Signature:

\_\_\_\_\_

Address (if correction is necessary):

\_\_\_\_\_

\_\_\_\_\_